

**IT IS THE VENDOR'S RESPONSIBILITY TO CHECK
FOR ADDENDUMS PRIOR TO SUBMITTING PROPOSALS**

**REQUEST FOR PROPOSALS
SPECIFICATION NO. 07-119**

The City of Lincoln and Lancaster County intend to enter into a contract and invite you to submit a sealed proposal for:

EMPLOYEE BENEFITS CONSULTANT

**MEETING OR EXCEEDING THE CITY OF LINCOLN AND LANCASTER COUNTY'S
SPECIFICATIONS**

Sealed proposals will be received by the City of Lincoln, Nebraska on or before **12:00 noon, Wednesday, April 18 , 2007** in the office of the Purchasing Agent, 440 S. 8th St., Suite 200, K Street Complex, Lincoln, Nebraska 68508. Proposals will be publicly opened, reading only the names, in the Purchasing Conference Room.

Submitters should take caution if U.S. Mail or mail delivery services are used for the submission of proposals. Mailing should be made in sufficient time for proposals to arrive in the Purchasing Division, prior to the time and date specified above.

INSTRUCTIONS TO PROPOSERS

CITY OF LINCOLN, NEBRASKA

PURCHASING DIVISION

1. PROPOSAL PROCEDURE

- 1.1 Each RFP must be legibly printed in ink or typed, include full name, business address, telephone number, fax number and email address of the Proposer; and be signed in ink by the Proposer.
- 1.2 Response by a firm/organization other than a corporation must include the name and address of each member.
- 1.3 A response by a corporation must be signed in the name of such corporation by a duly authorized official thereof.
- 1.4 Any person signing a response for a firm, corporation, or other organization must show evidence of his authority so to bind such firm, corporation, or organization.
- 1.5 Proposals received after the time and date established for receiving offers will be rejected.

2. EQUAL OPPORTUNITY

- 2.1 Each proposer agrees that it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, national origin, age, or marital status. In the employment of persons, proposer shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, sex, disability, national origin, age, or marital status.

3. DATA PRIVACY

- 3.1 Proposer agrees to abide by all applicable State and Federal laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and corporations as to inventions, copyrights, patents and patent rights.
- 3.2 The proposer agrees to hold the City harmless from any claims resulting from the proposer's unlawful disclosure or use of private or confidential information.

4. PROPOSER'S REPRESENTATION

- 4.1 Each proposer by signing and submitting an offer, represents that he/she has read and understands the specification documents, and the offer has been made in accordance therewith.
- 4.2 Each offer for services further represents that the proposer is familiar with the local conditions under which the work and has correlated the observations with the requirements of the RFP.

5. SPECIFICATION CLARIFICATION

- 5.1 Proposers shall promptly notify the Purchasing Agent of any ambiguity, inconsistency or error which they may discover upon examination of specification documents.

- 5.2 Proposers desiring clarification or interpretation of the specification documents shall make a written request which must reach the Purchasing Agent at least seven (7) calendar days prior to date and time for response receipt, unless otherwise noted in RFP.
- 5.3 Interpretations, corrections and changes made to the specification documents will be made by written addenda.
- 5.4 Oral interpretations/changes to Specification Documents made in any other manner, will not be binding on the City; proposers shall not rely upon oral interpretations.

6. ADDENDA

- 6.1 Addenda are written documents issued by the City prior to the date for receipt of offers which modify or interpret the specification document by addition, deletion, clarification or correction.
- 6.2 Addenda will be mailed or delivered to all who are known by the City to have received a complete set of specification documents.
- 6.3 Copies of addenda will be made available for inspection at the office of the Purchasing Agent.
- 6.4 No addendum will be issued later than forty-eight (48) hours prior to the date and time for receipt of offers, except an addendum withdrawing the RFP, or addendum including postponement.
- 6.5 Proposers shall ascertain prior to submitting their offer that they have received all addenda issued, and they shall acknowledge receipt of addenda in their proposal.

7. ANTI-LOBBYING PROVISION

- 7.1 During the period between the proposal advertisement date and the contract award, proposers, including their agents and representatives, shall not lobby or promote their proposal with any member of the City Council or City Staff.

8. EVALUATION AND AWARD

- 8.1 The signed proposal shall be considered an offer on the part of the proposer. Such offer shall be deemed accepted upon issuance by the City of purchase orders, contract award notifications, or other contract documents appropriate to the work.
- 8.2 No offer shall be withdrawn for a period of ninety (90) calendar days after the time and date established for receiving offers, and each proposer agrees in submitting an offer.
- 8.3 In case of a discrepancy between the unit prices and their extensions, the unit prices shall govern.
- 8.4 The RFP process is designed to be a competitive negotiation platform, where price is not required to be the sole determinative factor; also the City has the flexibility to negotiate with a select firm or selected firms to arrive at a mutually agreeable relationship.
- 8.5 A committee will be assigned the task of reviewing the proposals received.

8.5.1 The committee may request documentation from Proposer(s) of any information provided in their proposal response, or require the Proposer to clarify or expand qualification statements.

8.5.2 The committee may also require a site visit and/or verbal interview with a Proposer or select group of Proposers to clarify and expand upon the proposal response.

8.6 The offer will be awarded to the lowest responsive, responsible proposer whose proposal will be most advantageous to the City, and as the City deem will best serve their requirements.

8.7 The City reserves the right to accept or reject any or all offers, parts of offers; request new proposals, waive irregularities and technicalities in offers; or to award the RFP on a split-order basis, or lump-sum basis; such as shall best serve the requirements and interests of the City.

9. INDEMNIFICATION

9.1 The proposer shall indemnify and save harmless the City of Lincoln, Nebraska from and against all losses, claims, damages, and expenses, including, attorney's fees arising out of or resulting from the performance of the contract that results in bodily injury, sickness, disease, death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom and is caused in whole or in part by the proposer, any subcontractor, any directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. This section will not require the proposer to indemnify or hold harmless the City of Lincoln for any losses, claims damages, and expenses arising out of or resulting from the sole negligence of the City of Lincoln, Nebraska.

9.2 In any and all claims against the City or any of its members, officers or employees by an employee of the proposer, any subcontractor, anyone directly or indirectly employed by any of them or by anyone for whose acts made by any of them may be liable, the indemnification obligation under paragraph 9.1 shall not be limited in any way by any limitation of the amount or type of damages, compensation or benefits payable by or for the bidder or any subcontractor under worker's or workmen's compensation acts, disability benefit acts or other employee benefit acts.

10. LAWS

10.1 The Laws of the State of Nebraska shall govern the rights, obligations, and remedies of the Parties under this proposal and any agreement reached as a result of this process.

10.2 Proposer agrees to abide by all applicable State and Federal laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and corporations as to inventions, copyrights, patents and patent rights.

11. AWARD

11.1 The RFP process is designed to be a competitive negotiation platform, where price is not required to be the sole determinative factor; also the City has the flexibility to negotiate with a selected firm or firms to arrive at a mutually agreeable relationship.

11.2 The City shall be the sole judge as to merits of the proposal, and the City's decision will be final.

11.3 A committee will be assigned by the Mayor with the task of reviewing the proposals received.

11.3.1 The committee may request documentation from

Proposer(s) of any information provided in their proposal response, or require the proposer to clarify or expand qualification statements.

11.3.2 A short list of firms from proposals submitted may be selected for a presentation to the committee and ranked by committee members.

11.4 Final approval to enter into contract negotiations with the top ranked firm will be by the Mayor of the City of Lincoln.

11.5 The City shall not be liable for any expense incurred in connection with preparation of a response to this RFP.

11.6 The contract document shall incorporate by reference all requirements, terms and conditions of the solicitation, proposal received and all negotiated details.

12. LIVING WAGE

12.1 The bidders agree to pay all employees employed in the performance of this contract, a base wage of not less than the City Living Wage per Section 2.81 of the Lincoln Municipal Code. This wage is subject to change every July.

Specification
for
Benefits Consultant

1 INTRODUCTION

- 1.1 The City of Lincoln and County of Lancaster are requesting proposals for an Employee Benefits Consultant.
- 1.2 The successful consultant, in cooperation with the City/County Personnel Department, will be responsible for reviewing and providing guidance in the evaluation of current and future needs of the City & County and the best solutions for those needs.
- 1.3 The City and County desire to enter into a contract with one firm with individual contracts.

2 BACKGROUND

- 2.1 The City employs some 2,400 employees and the County some 1,200 employees, all of whom are eligible for the benefit plans offered by the City & County.
- 2.2 Retired City & County employees are also eligible for health insurance coverage, at full cost, until they become medicare eligible at age 65.
- 2.3 The City & County offer the following benefits to all regular and limited term employees:
 - 2.3.1 A medical plan, BCBS for the County, Coventry Healthcare for the City;
 - 2.3.2 A dental plan, with Ameritas for both entities;
 - 2.3.3 A vision plan, with Eyemed, for both entities;
 - 2.3.4. A long term disability plan; insured for the County, self-insured for the City;
 - 2.3.5 A basic life insurance plan, with dependent, supplemental and AD/D, with the Hartford for both entities;
 - 2.3.6 A flexible employee benefit plan, with Payflex for both entities;
 - 2.3.7 Voluntary benefits, with AFLAC for both entities;
 - 2.3.8 Long term care benefits, with Aetna, for both entities.
- 2.4 Details regarding these benefits are available at the City/County website as follows:
<http://www.lincoln.ne.gov/city/person/risk/index.htm>
- 2.5 The City and County contribute to the medical, dental, basic life premiums and flexible employee benefit costs, as stipulated in the bargaining agreement with the employees bargaining group.
- 2.6 Both health and dental plans are self insured plans, on a joint purchasing program with separate billings to each entity.
- 2.7 The successful consultant will be required to enter into a Professional Services Agreement with the City & County to provide the services outlined in this Request for Proposal.
 - 2.7.1 This will include completion of a HIPAA Business Associate Agreement.

3 **INTENT**

- 3.1 The City & County **PREFER** to have one proposal written to cover both the City of Lincoln, and the County of Lancaster.
- 3.2 However, proposals may also be submitted to separately handle each entity.
- 3.3 The City & County reserve the right to negotiate employee benefits consultant services jointly or separately.
 - 3.3.1 However, separate contracts will be required with both the City and County.
 - 3.3.2 The City requires a one year term, with options to renew for two additional one year periods, while the County can enter into a three year agreement.
 - 3.3.3 Both agreements must be effective June 1, 2007.

4 **SUBMISSION OF PROPOSAL**

- 4.1 Respondents are requested to submit seven (7) copies of the proposal.
- 4.2 All information must be legible.
 - 4.2.1 Any and all corrections and/or erasures must be initialed.
- 4.3 Each proposal shall be accompanied by a transmittal letter signed in ink by an authorized representative of the respondent.
- 4.4 The contents of the proposal submitted by the successful respondent of the RFP may become part of any contract awarded as a result of this solicitation.
- 4.5 Proposals must be received no later than 12 noon, local time on Wednesday, April 18, 2007, at the Office of the Purchasing Agent, Vince Mejer. Responses should be addressed as follows:

Vince Mejer — Purchasing Agent
City of Lincoln/Lancaster County
440 S. 8th St., Suite 200
K Street Complex
Lincoln, NE 68508

- 4.6 Proposals may be either mailed or hand-delivered.
 - 4.6.1 If the proposal is sent by mail to the Purchasing Agent, the respondent shall be responsible for actual delivery of the proposal to the proper office before the deadline.
 - 4.6.2 Any proposals received after the deadline will be returned unopened.
- 4.7 All proposals become the property of the City & County upon receipt by the Purchasing Agent.
- 4.8 The content of all proposals will be kept confidential until an award is made, after which the content will no longer be kept confidential.
- 4.9 Proposals may be withdrawn or modified in writing prior to the proposal submission deadline.
 - 4.9.1 Proposals that are resubmitted or modified shall be sealed and submitted to the City/County Purchasing Agent prior to the proposal submission deadline.

5 AWARD OF CONTRACT

- 5.1 A Contract may be negotiated with the contractor whose proposal is determined to be most responsive to the City & County's needs and most advantageous.
- 5.2 Award of a contract may be made without discussion after proposals are received.
- 5.3 Proposals should, therefore, be submitted initially in the most favorable terms, from both price and technical perspectives.
- 5.4 The City & County reserve the right to reject any or all proposals and to award the contract in whole or in part.

6 REQUESTS FOR INFORMATION

- 6.1 The RFP contains the instructions governing the proposals to be submitted and the material to be included therein.
- 6.2 Mandatory requirements which must be met to be eligible for consideration, and other requirements to be met by each proposal are also provided.
- 6.3 Any requests for clarification or additional information regarding the submission of this RFP shall be directed in writing by April 12, 2007 to:

Vince Mejer — Purchasing Agent
City of Lincoln/Lancaster County
440 S. 8th St., Suite 200
K Street Complex
Lincoln NE 68508 (FAX 402-441-6513)
e-mail: vmejer@lincoln.ne.gov

7 PACKAGING

- 7.1 Each proposal must be sealed to provide confidentiality of the information prior to the submission date and time.
- 7.2 The proposal shall be firmly wrapped and securely sealed, addressed to the Purchasing Agent and clearly marked "**PROPOSAL FOR EMPLOYEE BENEFITS - Specification 07-119**".
- 7.3 The City & County will not be responsible for premature opening of proposals not properly labeled.

8 DULY AUTHORIZED SIGNATURE

- 8.1 The proposal must contain the signature of a duly authorized officer or agent of the Respondent's organization, empowered with the right to bind the Respondent.
- 8.2 The Respondent must also provide evidence of the authority of the officer or agent to bind the Respondent to any successful bidder for any costs associated with the preparation of a proposal or the negotiation of a Professional Services Agreement.

9 PROPOSALS BINDING

- 9.1 Respondents are advised that proposals shall be binding upon the Respondent for ninety (90) calendar days from the proposal due date.
- 9.2 A respondent may withdraw or modify its proposal any time prior to the proposal due date by a written request, signed in the same manner and by the same person who signed the proposal.

- 9.3 All material provided to the City & County during the RFP process and contract negotiation and administration should be expected to be used without restriction by the City & County.
- 9.4 In the event that a proposal is rejected, the City & County reserve the right to use any of the concepts or ideas contained in the proposal without incurring any liability.

10 NOTIFICATION

- 10.1 Each respondent submitting a proposal in response to this RFP will be notified in writing as to the acceptance or rejection of its proposal.
- 10.2 The City & County expect to release such letters within ninety (90) days of the proposal submission date.
- 10.3 The City & County may delay this action if it is deemed to be in the best interests of the City & County.

11 SCOPE OF BENEFIT CONSULTING SERVICES

- 11.1 Provide counsel, advice and recommendations concerning benefits provided to City and County employees;
- 11.2 Assist in the preparation of request for proposals if requested;
- 11.3 Review and analyze copies of plan documents and master policies to ensure their compliance with the law and with the specifications of the contract;
- 11.4 Solicit and negotiate rates and renewal rates for benefit plans in coordination with the City/County Personnel Department. Initiate regular contract renewals;
- 11.5 Provide the City & County with current information and advice on COBRA and IRS rules and regulations concerning benefits provided to employees, including changes in laws affecting employee benefits and required governmental reports;
- 11.6 Provide the City & County with evaluation and underwriting data for any changes in benefit plans;
- 11.7 Assist the City & County with open enrollment, communication material, and employee meetings as requested, usually to be conducted on a quarterly basis;
- 11.8 Provide the City & County with an annual renewal report each year outlining the performance of the benefit package with an analysis of problems, if any, and recommendations for improvement, if necessary;
- 11.9 Serve as a liaison with carriers when service problems occur.
 - 11.9.1 Each respondent may additionally be required to show that they have satisfactorily provided products and performed similar work in the past and that no claims of any kind are pending against such work..
- 11.10 Provide annual financial projections on rates for insured or self-funded medical and dental plans including incurred but not reported (IBNR) claim reserve recommendations and rate structure changes;
- 11.11 Meet with City& County officials and staff as needed, but at least quarterly.
- 11.12 Assist with claims reviews of self-funded plans, if requested.
- 11.13 Provide an actuarial analysis of the funding needs for the City & County's self insured health and dental plans, to include recommending the rates for these plans.
- 11.14 Providing an actuarial analysis of the funding needs of the City's self insured Long Term Disability plan, and provide a reasonable number of reports of this analysis, and
- 11.15 Perform any such other special assignments as required.

12 EVALUATION PROCESS

- 12.1 The evaluation team will use all facts, information, and data available to finalize its evaluation.
- 12.2 On the basis of the technical and cost response to this RFP and subsequent evaluation activities, the selection team may select one (1) or more contractor(s) to provide the required services of this RFP.
- 12.3 The City & County reserve the right to reject any and all proposals.
- 12.4 Failure of the Respondent to provide any information requested in this RFP may result in disqualification of the proposal.
- 12.5 The evaluation team's sole objective will be to recommend the award of a contract to the Respondent whose proposal is most responsive to the City & County's needs and most advantageous to the City & County considering cost as well as other factors based on evaluation criteria described below.
- 12.6 Proposals will be judged on the information provided in the proposal submission or provided in response to interview questions, if interviews are conducted.
- 12.7 The following criteria will be used to evaluate the proposals:
 - 12.7.1 Ability to Undertake the Scope of Services
 - 12.7.2 Depth of Support Through Information Systems and Professional, Legal and Actuarial Staff.
 - 12.7.3 Financial Status of the Respondent
 - 12.7.4 Level of Experience of the Project Team
 - 12.7.5 Experience with Governmental Entities and Their Respective Benefit Plans
 - 12.7.6 Fees, Estimated Expenses and Timeliness
 - 12.7.7 Creativity
 - 12.7.8 Oral Presentations (if requested)

13 PROPOSAL CONTENT AND MINIMUM QUALIFICATIONS

- 13.1 Detailed Company Background
 - 13.1.1 At a minimum, provide the following information relative to your firm.
 - 13.1.1.1 Similar information must be provided for each subcontractor and/or joint venture member.
 - 13.1.2 Firm name and business address, including telephone and fax number.
 - 13.1.3 Year established (include former firm names and year established, if applicable).
 - 13.1.4 Type of ownership, and name and location of parent company and subsidiaries, if any.
 - 13.1.5 Indication of whether the firm is licensed to do business in the State of Nebraska.
- 13.2 Resumes of Staff
 - 13.2.1 Provide resumes of staff that would be assigned to the City & County, indicating their duties and responsibilities.
 - 13.2.2 Please indicate the person that will be in charge of the employees assigned to the City & County.
- 13.3 Experience
 - 13.3.1 Summarize experience and relate its relevance to the City & County.
 - 13.3.2 Identify each proposed staff member's area of expertise.
- 13.4 Project Schedule
 - 13.4.1 Indicate when the contractor could begin work and how much time could be dedicated to the City & County.

- 13.5 Fees
 - 13.5.1 Price the services on a flat fee basis of a one-year period beginning June 1, 2007.
 - 13.5.2 The respondent must warrant that any commission or other fees paid to the Contractor as a result of doing business with the City & County will be credited in full to the specific City or County's account.

14 BENEFIT CONSULTING QUESTIONNAIRE

- 14.1 Please include in your written proposal answers to the following questions:
 - 14.1.1 What is your experience as a consultant to public sector benefit programs?
 - 14.1.1.1 Describe in detail your experience with public sector entities as clients especially in the state of Nebraska.
 - 14.1.2 Identify other health, dental and other benefit plans for which you have served, the capacity in which you served, and whether you are currently serving.
 - 14.1.3 Describe your firm, its history and size, the locations in which it operates, and the number of employees.
 - 14.1.3.1 Describe the background and experience of officers, managers, and professional employees, and any other relevant information that you believe would be of interest to the City & County.
 - 14.1.4 Who in your firm would be responsible for the City/County account, and what is that person's background, professional qualities and experience, including self-funding experience?
 - 14.1.4.1 How many other clients does this person provide services for and at what level?
 - 14.1.4.2 List the five largest clients with whom this person works on an ongoing basis.
 - 14.1.4.3 Provide a contact name and phone number for reference checks with each of the above five clients.
 - 14.1.5 What is the location of the office from which consulting services would be provided?
 - 14.1.5.1 Also, how would the firm be contacted by phone, fax and email.
 - 14.1.6 Provide a sample of the format for the annual and periodic reports you provide for similar insured or self-funded plans.
 - 14.1.7 What is your firm's experience in dealing with diverse demographic area health care issues?
 - 14.1.8 What is your firm's experience in coordinating and analyzing bid proposals for a variety of benefit plans?
 - 14.1.9 Has litigation ever been filed against your firm?
 - 14.1.9.1 If so, explain in detail.
 - 14.1.10 Is there any litigation against your firm currently in process?
 - 14.1.10.1 If so, please explain in detail.
 - 14.1.11 What percentage of your clients are self-funded or use joint purchasing?

- 14.1.12 Describe the professional liability coverage carried by your organization.
 - 14.1.12.1 Please submit a copy of your certificate of such insurance.
- 14.1.13 For what period of time will your firm guarantee its services and fees?
- 14.1.14 Please provide a sample of your proposed contract for consulting services.

15 SPECIAL CONDITIONS

- 15.1 The City & County reserve the right, at their sole discretion, to accept or reject any or all statements or proposals, or to waive any and all irregularities in any or all statements or proposals, or to award a contract to the responsible bidder whose proposal is most beneficial to the City & County.
- 15.2 The City & County also reserve the right, at their sole discretion, to request additional information from any or all respondents.
- 15.3 While the City & County intend to execute a contract for the services listed herein, it is not bound to do so and this document will not be interpreted as binding the City & County to enter into an agreement with any proposer.
- 15.4 The successful proposer will be required to execute a separate contract with both the City and the County following the awarding of the proposal.
- 15.6 The contract will require terms and conditions including but not limited to performance of services entirely at the proposers risk, nondiscrimination in employment, and indemnification to the City & County from all claims, demands, and actions, arising from the individual bidders actions, errors, or omissions.
- 15.7 In case of any lawsuits, the laws of the State of Nebraska shall apply.
 - 15.7.1 Proof of General Liability, Auto Liability and Professional Liability Insurance (naming the City & County as additional insureds) in the amount of \$1,000,000/occurrence shall be required, as well as proof of Workers Compensation insurance.
- 15.8 The closing date for receiving Proposals will be at 12 noon, local time, on April 18, 2007 in the Office of the Purchasing Agent, Vince Mejer, 440 S. 8th St., Suite 200, K Street Complex, Lincoln NE 68508.
 - 15.8.1 Proposals will not be accepted or considered after the deadline for receipt of proposals.